

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF TAYLOR COUNTY )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ADJUSTMENT OF ) CASE NO. 8250  
RATES )

O R D E R

IT IS ORDERED that Taylor County Rural Electric Cooperative Corporation shall file an original and five copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Intervention, by August 21, 1981. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 1

1. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve-month period immediately preceding the test year.
2. The workpapers showing calculations supporting the employee benefits adjustment. Explain all components used in each calculation.
3. A schedule of salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 1, attached.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. A statement of electric plant in service, per company books at test year-end, as shown in Format 4, attached.

9. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the five preceding calendar years. Include the data used to calculate each ratio.

10. Provide the utility's rate of return on net investment rate base for the test year and five preceding calendar years.

11. Provide a breakdown of the following balance sheet accounts as of the end of the test year.

- (a) Investment in Associated Organizations - Pat. Capital
- (b) Investment in Associated Organizations - Other Capital
- (c) Deferred Credits

12. The estimated dates for draw down of unadvanced loan funds at test year-end and the proposed uses of these funds.

13. The board resolution approving the December 1, 1981, general wage adjustment of 10%.

14. Provide, in comparative form, end-of-period account balances for all plant accounts for the test year and the three preceding calendar years.

15. A copy of the most recent publication of the Borrower Statistical Profile for Taylor County Rural Electric Cooperative Corporation as published by the Rural Electrification Administration.

16. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980.

17. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and general description of the meeting's activities.

18. Explain the methodology in distributing the proposed revenue increase to the rate classes.

Done at Frankfort, Kentucky, this 28th day of July, 1981.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary

**Case No. 8250**

## ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1975 Through 1979  
And the 12-Month Period Ending February 28, 1981

(000's)

[illegible]

Taylor County Rural Electric Corporation  
Case No. 8250

12 Months Ended

Line No.	Item (a)	Calendar Years Prior to Test Year										Test Year	
		5th		4th		3rd		2nd		1st		Amount	%
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

7. Administrative and general expenses (continued):

- (g) Employee pensions & benefits
- (h) Franchise requirements
- (i) Regulatory Commission expense
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

8. Total administrative & general expenses L7(a) through L7(m)

9. Total Salaries and wages charged expense (12 through L6 + L8)

10. Wages capitalized

11. Total of salaries and wages

12. Ratio of salaries and wages charged expense to total wages (L9 ÷ L11)

13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

NOTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

## Taylor County Rural Electric Corporation

Case No. 8250

## ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Conservation</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Other</u> <u>(f)</u>	<u>Total</u> <u>(g)</u>
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

Taylor County Rural Electric Corporation

Case Number 8250

ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

account number	<u>Title of Accounts</u> (a)	<u>Beginning Balance</u> (b)	<u>Additions</u> (c)	<u>Retirements</u> (d)	<u>Transfers</u> (e)	<u>Ending Balance</u> (f)
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Other Production Plant

340	Land and land rights					
341	Structures and improvements					
342	Fuel holders, producers and accessories					
343	Prime movers					
344	Generators					
345	Accessory electric equipment					
346	Miscellaneous power plant equipment					
106	Completed construction - not classified					
	Total other production plant					
	Total production plant					

Transmission Plant

350	Land and land rights					
352	Structures and improvements					
353	Station equipment					
354	Towers and fixtures					
355	Poles and fixtures					
356	Overhead conductors and devices					
357	Underground conduit					
358	Underground conductors and devices					
359	Roads and trails					
106	Completed construction - not classified					
	Total transmission plant					

Distribution Plant

360	Land and land rights					
361	Structures and improvements					
362	Station equipment					
364	Poles, towers and fixtures					
365	Overhead conductors and devices					
366	Underground conduit					
367	Underground conductors and devices					
368	Line transformers					
369	Services					
370	Meters					
371	Installations on customers' premises					
372	Leased property on customers' premises					
373	Street lighting and signal systems					
106	Completed construction - not classified					
	Total distribution plant					



Case No. 8250

Account Number	<u>Title of Accounts</u> (a)	<u>Beginning Balance</u> (b)	<u>Additions</u> (c)	<u>Retirements</u> (d)	<u>Transfers</u> (e)	<u>Ending Balance</u> (f)
	<u>General Plant</u>					
389	Land and land rights					
390	Structures and improvements					
391	Office furniture and equipment					
392	Transportation equipment					
393	Stores equipment					
394	Tools, shop and garage equipment					
395	Laboratory equipment					
396	Power operated equipment					
397	Communication equipment					
398	Miscellaneous equipment					
399	Other tangible property					
106	Completed construction - not classified					
	Total general plant					
100.1	Total electric plant in service					

1000 KWH Sold